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SUBJECT: MFA OFFICIALS DISCUSS RANGE OF CURRENT BILATERAL TOPICS

¶1. (SBU) Summary: During a January 9 meeting with the DCM, Ministry of Foreign Affairs (MFA) Americas Department Director General Pham Van Que said that Deputy Prime Minister/Foreign Minister Pham Gia Khiem has not yet decided on dates for travel to the United States. Que proposed several potential issues focused on "upgrading the relationship" for discussion during the DPM's visit and President Triet's visit later this year, including improved Ex-Im Bank loan terms, urging a more active OPIC role, re-examining export controls to Vietnam and broadening U.S. policy on arms transfers to include lethal defense articles and services. Que noted that the upcoming Communist Party Plenum will focus on redefining the Party's role in the context of Vietnam's rapidly-changing circumstances. Addressing New Embassy Compound negotiations, Que expressed his desire to conclude an agreement on property purchases in Washington and Hanoi in the "near future."

¶2. (SBU) Summary continued: Referring to a recent exchange of notes between ConGen HCMC and a southern province on the question of meeting private Vietnamese citizens, the DCM sought MFA assistance in enabling continued unfettered access by U.S. officials. Que acknowledged DPM Khiem's promise to Secretary Rice that the GVN will release dissident Nguyen Vu Binh and requested a formal proposal noting U.S. Government willingness to enable Phan Van Ban to travel to the United States if he is released. On the issue of dioxin, the DCM shared that the United States will soon announce its contribution to help clean up the Danang airport. End Summary.

¶3. (SBU) On January 9, the DCM hosted a luncheon with MFA Americas Department Director General Pham Van Que, Deputy Director Nguyen Hoanh Nam and Desk Officer Le Chi Dzong. MGT/C and EconOff also attended. Both sides positively evaluated progress made on a broad range of bilateral issues in 2006 and expressed a commitment to continue the momentum in 2007. Specifically noting the nuclear fuel replacement at the Dalat Nuclear reactor and the Peace Corps agreement, the DCM expressed his hope that these and other issues will move forward in the new year.

Deputy Prime Minister Khiem's Visit to Washington  
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¶4. (SBU) Despite having pressed him that morning, Deputy Prime Minister Pham Gia Khiem has not yet decided on specific dates for his travel to Washington, Que reported. The DCM relayed that the end of February may not fit with Secretary Rice's schedule, and urged the GVN to propose dates soonest so that the State Department can respond. Que said that the current plan is for DPM Khiem to spend one week in the United States. In addition to Washington, Khiem will likely travel to Boston, Chicago and possibly Seattle or Los Angeles, although Que acknowledged the potential sensitivities of a trip to Southern California.

¶5. (SBU) Que proposed several potential issues for the DPM's visit, and President Nguyen Minh Triet's visit to Washington later this year. Overall, these issues focus on "upgrading the relationship." Specific actions (on the U.S. side) might include: (1) improving the terms and rates for Ex-Im Bank loans offered to private Vietnamese

firms; (2) urging a more active OPIC role to bring additional foreign direct investment to Vietnam; (3) re-examining the current status of controls of goods exported to Vietnam; (4) authorizing the sale of lethal military goods to Vietnam. With these goals in mind, MFA will suggest that DPM Khiem visit with OPIC, EX-IM Bank, USAID and the Trade and Development Agency during his upcoming visit. DG Que also noted the DPM's interest in science and technology issues. The DCM responded that once a date has been set, the two sides should meet to discuss the DPM's interests and work to develop an appropriate agenda.

#### Continued Administrative Reforms

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¶16. (SBU) In response to the DCM's urging that Vietnam continue to upgrade legislation, strengthen the rule of law and implement its World Trade Organization (WTO) and other international commitments, Que noted that the WTO is only one of the factors driving administrative reforms in the National Assembly, the Government, the court system and the Party. He revealed that a focus of the upcoming Communist Party Plenum, expected to occur in January, will be "interpreting and defining the role of the Party in the context of Vietnam's changing circumstances as it increasingly integrates into the global community and continues its rapid economic development."

¶17. (SBU) Continued progress in rule of law and transparency would be necessary for Vietnam if it is serious about candidacy as a Millennium Challenge Corporation Threshold Country, the DCM noted. The delegation from the Office of Government which recently visited Washington expressed an interest in qualifying for MCC funds. Que admitted he knows little about the MCC criteria and requested further information.

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#### New Embassy Compound

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¶18. (SBU) DG Que expressed his desire to conclude an agreement on property purchases in Washington and Hanoi in the "near future." The GVN request to develop a new mechanism to govern this and future acquisitions may necessitate additional legal reviews in Washington, MGT/C noted. Stopping short of full agreement, Que committed to discuss at a later opportunity the possibility of moving forward with dual tracks - proceeding with negotiations over both sides' Embassy facilities in the immediate future while working in parallel to finalize details on a more comprehensive mechanism. MGT/C said the U.S. side has repeatedly proposed a lump sum price of slightly more than USD seven million for the land in Ciputra, and expressed his hope that if the GVN found this offer unacceptable, the MFA would respond with a counter-offer to move negotiations forward. DG Que suggested that the Embassy formally convey this offer to the Ministry by diplomatic note. He added, however, that Vietnam had repeatedly rejected the USD seven million proposal in the past and asked that the USG be more reasonable with respect to a final price tag for the Ciputra property.

¶19. (SBU) MFA is also ready to proceed with negotiations over the sale of the U.S. property on Hai Ba Trung Street, according to Que. Que said that he believes Vietnamese regulations dictate that the GVN or the Hanoi People's Committee are the only two organizations which have the right to purchase this land, but he also believes an agreement can be reached based on a "fair market price." He suggested that the sale of this property would be less complicated if it occurred independent of negotiations over the New Embassy Compound (NEC). The Embassy will send a note of intent to sell the property and seek the GVN's concurrence in the near future, the DCM said.

#### Human Rights and Religious Freedom Issues

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¶10. (SBU) The Embassy's ability to credibly report on human rights and religious freedom issues and address concerns of the Congress is based on the access enjoyed by our officials to private Vietnamese

citizens, the DCM continued. Referring to a recent diplomatic note from a provincial External Relations Office (ERO) requesting that ERO officials be present in all meetings, he stated that U.S. officials will continue to seek unfettered access. Desk officer Dzung was aware of the note and pushed back, stating that U.S. officials should understand the need for an ERO presence in meetings. The DCM reported that this would degrade the USG's ability to creditably report on conditions in Vietnam. The two sides debated the issue at some length, and there was no meeting of the minds, but the DCM stated that U.S. officials would continue to do their job professionally and well.

¶11. (SBU) The DCM noted that the MFA has not yet responded to the Ambassador's December 4 letter to Le Van Bang regarding dissidents Nguyen Vu Binh and Phan Van Ban. The DCM noted U.S. Government willingness to facilitate the departure to the United States of Phan Van Ban, if he is released. We continue to await the release of Nguyen Vu Binh before the Tet holiday, as DPM Khiem promised to Secretary Rice during the APEC Leaders Meeting. DG Que acknowledged

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the understanding between the Secretary and the DPM. On Ban, he requested a formal written proposal so that the GVN can proceed with consideration of this idea. (Note: The Ambassador wrote to VFM Le Van Bang on January 12 seeking the release of Binh as promised and raising the issue of Ban's travel to the United States, if he is released. End Note.) Separately, the DCM told Que that the Ambassador had just sent a letter to MFA stating our understanding that Pastor Paul Tran Dinh Ai hopes to travel to Vietnam later this month to visit his elderly mother and celebrate the Tet holiday with her.

Agent Orange

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¶12. (SBU) The DCM shared that the United States will soon announce its contribution of USD 400,000 to help clean up dioxin at the Da Nang airport. This project, implemented by the EPA, is in partnership with the Ford Foundation and the United Nations Development Program. A U.S. scientist will also travel to Vietnam to work for a short time in the Ministry of Science and Technology's Office 33. More broadly, views among Vietnamese surrounding the issue of Agent Orange are slowly changing. We welcome a more reasoned discussion of the issues.

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